

UNITED NATIONS
General Assembly

FORTY-NINTH SESSION

Official Records

SECOND COMMITTEE

7th meeting

held on

Wednesday, 12 October 1994

at 6 p.m.

New York

SUMMARY RECORD OF THE 7th MEETING

Chairman:

Mr. KHAN

(Pakistan)

later:

Mr. RAICHEV

(Bulgaria)

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GENERAL DEBATE (continued)

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Distr. GENERAL

A/C.2/49/SR.7

21 October 1994

ORIGINAL: ENGLISH

The meeting was called to order at 6 p.m.

GENERAL DEBATE (continued)

1. Mr. WLOSOWICZ (Poland) said that world-wide political, economic, environmental and demographic changes were creating different types of problems than those dealt with by traditional diplomacy. Such problems could not be resolved by military solutions or good will alone, but required decisive action to adapt international institutions, including the United Nations, to meet the new global challenges.

2. Despite its shortcomings, the United Nations system still provided the best setting for promoting international cooperation for development. However, the Organization's traditional sectoral approach had resulted in fragmentation and redundancy, and was inadequate to meet current challenges. The development process required that efforts in the political, economic and social spheres should be integrated. Yet, as the former Prime Minister of Poland had pointed out, the United Nations intergovernmental structure suffered from a "missing link", both substantive and institutional, between political and security matters on the one hand and economic and social development matters on the other. Accordingly, Poland endorsed the Secretary-General's proposal that the Economic and Social Council should be invited to report to the Security Council on economic and social developments pertaining to peace, security and stability.

3. The successful conclusion of the Uruguay Round and the establishment of the World Trade Organization (WTO) would lead to more effective management of international economic and trade policy. Closer institutional links between the International Monetary Fund (IMF), the World Bank and WTO, the three pillars of the Bretton Woods system, would give greater coherence to their policies, which would in turn help to ensure the smooth development of the new market economies. Aid should not become a substitute for trade. Access to world markets was of vital importance to the Central European countries, and he urged developed countries to accept more exports from countries with economies in transition. He also welcomed the fact that the Marrakesh agreements included several provisions which reflected the realities of the transition process.

4. It was to be hoped that WTO would lead to a better disciplined and more equitable multilateral trading system. The new organization should become operational as soon as possible in order to minimize any risks involved in the transition from the General Agreement on Tariffs and Trade (GATT). To that end, Poland would make every effort to complete its ratification procedure as rapidly as possible. Ways must also be found to coordinate WTO efforts with those of other structures currently dealing with trade issues, thereby avoiding duplication of work and resources.

5. IMF, the World Bank and WTO, together with the United Nations Development Programme (UNDP) and other technical assistance agencies, would help the United

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Nations system focus greater attention on providing support to developing countries, in particular the least developed countries, the countries of sub-Saharan Africa and countries in transition. The mandates of those bodies should be reviewed and redefined as appropriate. Development institutions needed to acknowledge that the existing development gap represented a threat to security and thus merited top priority.

6. While some regions were enjoying economic revitalization, others lacked the necessary dynamism for growth. Developed market economies were growing again, but continued to suffer from rising unemployment. Developing countries, which accounted for 80 per cent of the world's population, had been showing strong growth in recent years. In contrast, in Central and Eastern Europe, output continued to shrink, although the rate of decrease had slowed over the past two years. While some Central European countries were showing signs of recovery, they still faced unemployment and other hardships, including those posed by economic disparities in formerly egalitarian societies. His own country, after a course of "shock therapy", was moving towards recovery for the third year in a row. Nevertheless, many of its economic indicators had not reached the level of the pre-crisis period, and the social costs of rapid transformation were extremely high. It was clear that outside support for reform was needed, especially for countries which had demonstrated their commitment to change.

7. The conclusions of the agenda for development, the World Summit for Social Development and the Fourth World Conference on Women would provide a blueprint for action in the fields of peace and development.

8. Mr. SYCHOU (Belarus) said that the current world situation called for a re-evaluation of the international community's efforts to eradicate poverty, unemployment, disease and hunger. Realism, pragmatism, solidarity and new partnership, a new form of dialogue on international economic cooperation and mechanisms for coordinating macroeconomic policy and microeconomic management were needed for the solution of those and other long-term problems.

9. The report of the Secretary-General entitled "An Agenda for Development" was a basic document for the current and future activities of the United Nations in the fields of economic and social development and the environment. His delegation considered that the main thesis of the report, namely, that development provided the most secure basis for peace, was not simply a truism but reflected Belarus's own, often bitter, historical experience.

10. In its efforts to integrate its economy into the world and European economy, Belarus faced a profound structural economic crisis that had begun in the mid-1980s. The lack of a clear reform strategy, cosmetic changes rather than a steady transition to a market economy, an inconsistent foreign economic policy and a lack of order in its economic relations with many of its traditional partners were hindering the normal development of the Belarusian economy. The new leaders of Belarus were endeavouring to overcome the country's economic crisis and carry out real economic reforms. The national programme to overcome the economic crisis placed particular emphasis on stimulating production by stabilizing the financial system and monetary and credit relations

and instituting price reforms; stabilizing the Belarusian rouble by equalizing trade and payments balances and increasing foreign trade; overcoming the decline in production by ensuring manageability and promoting market reforms; and reforming the wage structure, income and employment policies and the social support system.

11. Belarus was interested in attracting foreign investments and technologies, without which real reforms had little chance of succeeding in the short term. Belarus was cooperating with IMF and the World Bank and was seeking new forms of mutually advantageous economic cooperation with all interested States and business, financial and scientific circles. Belarus was improving its legislation and seeking to create appropriate guarantees to protect the property and profits of its foreign partners.

12. Belarus was convinced of the vital importance of economic integration in the Commonwealth of Independent States on the basis of general consensus, mutual advantage, pragmatism and partnership. In that regard, the increasing economic reintegration of the countries of the former Soviet Union was in keeping with the general world trend towards regional and subregional economic integration.

13. His delegation was in favour of an effective Economic and Social Council and the efficient functioning of its subsidiary bodies, greater decentralization and regionalization of operational activities and increased opportunities for implementing practical projects with the participation of the regional commissions. Under the guidance of the General Assembly, the Council should ensure effective coordination within the United Nations system, of which the Bretton Woods institutions were an indispensable part, in order to find practical solutions to development problems. His delegation called for the more orderly use of the financial and other resources channelled through UNDP, the United Nations Children's Fund (UNICEF) and other programmes, funds and specialized agencies.

14. While his delegation recognized the existence of the particular interests of the Group of 77, it could not accept attempts to infringe on the legitimate and natural economic interests of other countries that faced tremendous economic difficulties. Belarus did not seek to compete with the least developed countries for the limited resources of the United Nations development system, but wished to cooperate with all industrialized States and dynamically developing countries in its efforts to overcome the temporary negative consequences of the transition to a market economy.

15. His delegation supported the proposals made by various delegations to hold a United Nations conference on development, an international conference under United Nations auspices on cooperation in the field of conversion and an international conference on South-South cooperation, as well as other interesting initiatives. His delegation was counting on a favourable response to the proposal made by the Prime Minister of Belarus to hold, under United Nations auspices, an international conference on the sustainable development of countries with economies in transition.

16. Mr. Raichev (Bulgaria) took the Chair.

17. Mr. TURK (Slovenia) said that recent global changes were reshaping economic and social development. A number of newly created States, most of which were moving towards full market economies, were striving to integrate themselves into the international economic system. Thus the era of radically different and competing models of economic development had apparently come to an end, while a new era of global integration was ushering in new challenges as well as new opportunities.

18. The General Assembly had on several occasions recognized that the integration of economies in transition into the world economy would have a positive effect on world trade and on economic growth and development. However, the successful integration of those economies depended on three main elements: access to world markets, a strengthening of the basic principles of free trade, and the consolidation of regional cooperation. In that connection, he wished to emphasize that the terms "countries in transition" and "economies in transition" were broad categorizations and must be used with due regard for States' individual identities and economies. It was particularly risky to categorize States during a period of dynamic change.

19. After a short period of difficulties following the disintegration of the former Yugoslavia, Slovenia had implemented economic adjustment programmes and had achieved macroeconomic stability. Exports to foreign markets had increased and, combined with increased domestic demand, had led to significant economic growth. It was expected that sustained non-inflationary growth would continue for several years. As a result of those events, development issues could once again take centre stage, privatization of public enterprises would continue, and reform of the banking system would remain an important priority. The outlook for investment growth in Slovenia was positive, and foreign direct investment was expected to play an important role in areas involving a high level of technology transfer.

20. Slovenia, which was already a member of the World Bank and IMF, had recently become a party to GATT. It was rapidly establishing free trade arrangements with its Central and Eastern European partners and was awaiting the start of negotiations on association with the European Union.

21. The Slovenian experience showed that the process of transition could be completed rapidly and did not necessarily involve a large mobilization of foreign resources. Two aspects of Slovenia's transition were particularly noteworthy: first, the initial period, during which basic macroeconomic stability had been established, had been relatively short; secondly, Slovenia's integration into the international economic system had become essential to sustained growth in the country. Slovenia was now entering a stage where technological, environmental and social aspects of development would be of central importance.

22. In a time of global interdependence, multilateral cooperation was more important than ever. His delegation welcomed the conclusion of the Uruguay

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Round and would participate actively in WTO. Slovenia looked forward to continuing cooperation with UNDP and hoped that the country programme for Slovenia would be approved early in 1995.

23. The Slovenian Government supported the activities of the Commission on Sustainable Development and had already incorporated several elements of Agenda 21 into its policies and legislation. He welcomed the Secretary-General's agenda for development, in particular the recommendations relating to sustainable development, and endorsed the idea of convening a world conference on development.

24. Social policies and good governance, based on universally agreed human rights standards, were important aspects of any coherent social development policy. The forthcoming World Summit for Social Development would provide an excellent opportunity for developing appropriate policy recommendations in that regard. Slovenia was actively participating in the preparatory process for the Summit and would also host a United Nations seminar on ethical dimensions of social development.

25. Mr. VILCHEZ (Nicaragua) fully endorsed the statement made by the representative of Algeria on behalf of the Group of 77.

26. The international scene had changed dramatically in recent years. The fiftieth anniversary of the United Nations would provide an excellent opportunity for a thorough evaluation of the Organization's methods for improving the world economy and optimizing the development potential of individual countries. In that connection, his country had hosted in July 1994 the Second International Conference of New or Restored Democracies, which had sought to identify institutional weaknesses and help countries become effective participants in the new world order. The Conference Declaration had recognized that the future of democracy and peace was linked to the manner in which the international community dealt with such issues as foreign debt, market protection for developing countries, the lack of concessional funding for development, poverty, and the impact of structural adjustment policies on low-income groups. It had urged the international community to give due regard to the complexity and specific character of the transition process in each country. It had further noted that bilateral and multilateral cooperation, stimulation of the private sector and a strengthening of United Nations and regional and non-governmental organizations were vital to consolidating economic and social progress in the new and restored democracies.

27. The Conference had emphasized that structural adjustment programmes which failed to correspond to social realities might give rise to political and social tensions, and thus undermine the democratic transition process. There had been consensus on the need for the World Summit for Social Development to give priority attention to the social consequences of structural adjustment programmes and the attainment of equitable growth. Conference participants had also stressed the need for economic reforms which included social benefits for the most disadvantaged groups.

28. The Conference Declaration had highlighted the need for agreements on foreign debt, in particular commercial debt, and for innovative ways to achieve sustainable economic growth and governability, without which democracies could not function effectively.

29. The Conference participants had reaffirmed their commitment to strengthening the role of the United Nations in promoting peace and development and had emphasized the importance of the Secretary-General's "Agenda for Peace" in that regard. They had also stressed the importance of cooperation between WTO and regional trade organizations whose progressive regulatory mechanisms offered a good means of improving economic and social conditions in new and restored democracies.

30. The Conference had reiterated the need to strengthen bilateral and multilateral development cooperation in order to reinforce democracy and peace. The Conference Plan of Action had recommended that countries should strengthen the foundations of economic growth and stability at the national level by instituting greater macroeconomic flexibility, decreasing State control and allowing greater freedom in the private sector. Conference participants had agreed to make greater efforts in the field of social development, to support programmes for sustainable human development, and to combat poverty as a means of maintaining democracy.

31. In the view of the Conference participants, the United Nations system and the Bretton Woods institutions needed to pay more attention to the current difficulties those countries faced, in particular the least developed among them. Given that the conditional terms imposed by IMF and the World Bank had increased the risk of instability in the new or restored democracies, it was important to achieve better coordination between United Nations policies in the economic, social and political spheres and the operations of the international financial institutions.

32. In the context of efforts to achieve peace, democracy, liberty and development in Central America, a Central American environmental summit on sustainable development had begun that day in Managua. The Governments taking part would be signing an alliance for sustainable development, the main objective of which was to construct a model of sustainable development based on Agenda 21. The alliance would constitute a regional strategy for the coordination of development initiatives and was intended to complement and strengthen existing instruments for regional integration.

33. Economic growth and development and the eradication of poverty must be given the highest priority on the international agenda and the role of the United Nations in development must be reinforced. The proposed agenda for development offered a sound basis on which the Organization could forge its own role in managing international development policies and coordinating the work of the United Nations system with that of other multilateral institutions.

34. Mr. MINET (Observer for the International Labour Organization (ILO)) said that, while the outlook for the world economy had improved, unemployment remained a serious concern. All countries were currently seeking answers to three questions: how to achieve non-inflationary growth, how to ensure that such growth effectively led to employment creation, and how to ensure that the employment created was of an acceptable quality, respecting the rights of the labour force.

35. Although the main responsibility for answering those questions lay with Governments, the globalization of the world economy had been steadily reducing their control over economic policy instruments. It was important to determine whether the economic forces of the international market would suffice to guarantee social progress for all. Given the nature of the markets, a minimalist State role was not the most appropriate means of achieving poverty alleviation and equitable development. The role of public policies must be redefined in the light of the emerging realities, bearing in mind the role of such policies in creating an environment conducive to optimum market performance.

36. Governments should not consider social policy separately from economic and financial policies, but must seek to integrate them and set explicit social targets, such as decreasing the long-term unemployment rate. For its part, ILO was concentrating on strengthening the ability of ministers of labour and employment, as well as of workers' and employers' organizations, to take initiatives and action.

37. The cooperation currently being developed at the international level in the political and economic fields could only be effective if accompanied by strengthened international policies and actions in regard to social matters. In that connection, he noted that cooperation between ILO, the World Bank and IMF had broadened and developed significantly over the years. Consideration by the General Assembly of an agenda for development should provide an opportunity to invent and explore new avenues for meaningful collaboration between the United Nations and the international financial institutions. Such efforts should bring together those responsible for economic, financial and social policy and provide an integrated framework for guiding national and international policies aimed at meeting the current challenges of the world economy.

38. Mr. HONG Je Ryong (Democratic People's Republic of Korea) said that the question of development was closely related to world peace, security and the improved well-being of humankind. Since its inception half a century before, the United Nations had made continued efforts to eliminate poverty and famine on earth and promote the economic and social development of Member States; however, that objective was far from being achieved. Developing countries continued to be placed at a disadvantage in the world economy by inequitable terms of trade, falling commodity prices and high trade barriers. Millions of people had been deprived of their basic human rights by famine, poverty and unemployment. Some developing countries had gone so far as to adopt market-oriented reforms in their efforts to develop their economies; however, an inequitable economic environment had prevented tangible results.

39. In the past, the United Nations had taken some steps to assist the developing countries in their development efforts in the form of, inter alia, the International Development Strategy for the Fourth United Nations Development Decade and the Declaration on International Economic Cooperation, in particular the Revitalization of Economic Growth and Development of the Developing Countries. However, the implementation of those instruments needed to be promoted further for substantial progress to be made.

40. Current economic problems were due to inequitable international economic relations and created political and social instability, thereby posing a threat to world peace and stability. The developed countries should therefore assist the developing countries in their efforts to achieve revitalized growth and development, particularly by establishing fair and equitable economic relations. That would require the elimination of all kinds of legal and mechanical obstacles to economic growth and sincere efforts to resolve the debt problem.

41. South-South cooperation was an efficient way to promote development efforts. The United Nations should take practical steps to encourage and support economic and technical cooperation among developing countries. His delegation welcomed the proposal to convene a United Nations conference on South-South cooperation in 1996. In addition, the North-South dialogue should be renewed at an early date so that all countries could agree on concerted action for the promotion of development, while respecting common interests and benefits.

42. He welcomed the presentation of an agenda for development, which showed that the development issue was receiving considerable attention from Member States. So long as the world economy continued to be dominated by a few developed countries, however, any documents or resolutions adopted would be unable to satisfy the concerns of the developing countries. An agenda for development should seek, first and foremost, to create economic relations that were beneficial to both developed and developing countries. He hoped that the Secretary-General's proposal would be further supplemented by constructive proposals, particularly those contained in the ministerial statement on an agenda for development issued by the Group of 77 in July 1994.

43. The Government of the Democratic People's Republic of Korea had long maintained relations of economic cooperation with other countries on the basis of building a self-reliant national economy. His Government had also enacted laws to encourage foreign investors and ensure their legitimate rights and interests, and would continue to promote international economic and technical cooperation on the basis of respect for sovereignty, equality and mutual benefit.

44. Mr. PEDROSO (Cuba) said that the work of the Second Committee should be broadened to include the search for long-term political solutions to the problems posed by soaring levels of poverty and underdevelopment in the southern hemisphere. It was a matter of concern to Cuba that after four United Nations Development Decades, the difficulties facing developing countries and, by extension, the entire world, were no less serious than before. Neither had the

ending of the cold war and of imminent nuclear danger brought about an increase in the extremely low level of resources available for development, or begun to establish the conditions necessary for the creation of a just, equitable and mutually beneficial international economic environment.

45. He agreed with the view expressed by other delegations that the commitments agreed at the United Nations Conference on Environment and Development to promote sustainable development had not been met by those countries which had contributed the most to the deterioration of the global environment. The lack of an appropriate response to those commitments called into question the credibility of the Commission on Sustainable Development and the ability of the international community to tackle global problems with genuine solidarity. The fundamental problem with all international strategies was the multiplication of conferences and programmes in the absence of sufficient means for their implementation.

46. In the real world, meanwhile, hundreds of thousands of people lived and died in a vicious circle of perpetual impoverishment, and the underlying causes seemed not to be affected by international development efforts. Governments' ability to act seemed more and more limited, while the international climate and economic adjustment policies sacrificed the interests of the most vulnerable sectors of the population.

47. His delegation therefore considered an agenda for development to be of the utmost importance and intended to comment on it in detail once the Secretary-General's report was issued. As the Cuban Minister for Foreign Affairs had noted when he had addressed the General Assembly in plenary meeting, an agenda for development should not be allowed to become a substitute for other important development efforts which had proved successful. Nor would it be desirable to exceed legislative mandates in the process of restructuring the economic and social sectors of the Secretariat and intergovernmental bodies. It would also be unfortunate if the agenda promoted a set of concepts that did not reflect a consensus on the part of the international community. The agenda should focus on the areas of technology, trade and finance, which were the sectors that enabled developing countries to approach growth and development in a dynamic way. In that way, the agenda would help to reduce those countries' dependency on international aid. Only then would it be possible to abandon the paternalist approach to development.

48. With regard to the restructuring of the economic and social sectors, partial and out-of-context interpretations of General Assembly resolution 48/162 must be avoided. That resolution was the outcome of a process begun by General Assembly resolution 45/264 and should be considered in that context. Efforts to improve coordination within the United Nation system should not compromise the independence and the individual mandates of the various organs, agencies and programmes.

49. Lastly, his delegation fully supported the statement made by Algeria on behalf of the Group of 77 and China.

50. Mr. DOUKAS (Greece), speaking in exercise of the right of reply, said that, in his statement at the 5th meeting, the representative of the former Yugoslav Republic of Macedonia had incorrectly referred to the name of that country. The correct name was stated in Security Council resolution 817 (1993), under which the State in question had been admitted to membership in the United Nations, and which stipulated that it was to be provisionally referred to for all purposes within the United Nations as the former Yugoslav Republic of Macedonia pending settlement of the difference that had arisen over the name. That difference had not yet been settled.

51. It was regrettable that the former Yugoslav Republic of Macedonia had chosen to take up the Committee's valuable time to launch a frontal attack against Greece. The Committee was not an appropriate forum in which to discuss political issues. Nevertheless, he felt that he should add, for the sake of information, that Greece had made all possible efforts to safeguard peace and stability in the region, and had repeatedly and officially offered the former Yugoslav Republic of Macedonia its economic support and assistance, including the use of Greek seaports, provided that the Skopje Government would abandon its expansionist policies towards Greece, policies which posed the only serious threat to stability in the region.

52. Mr. DŽUNDEV (the former Yugoslav Republic of Macedonia), speaking in exercise of the right of reply, said that he had listened with interest to the statement of the Greek representative regarding Macedonian-Greek relations and wished to make a clarification. The representative of Greece had consciously tried to confuse the issue by once again interpreting Security Council resolution 817 (1993) incorrectly. It was well known to all present, including the representative of Greece, that his country's name was "the Republic of Macedonia". No decision or resolution of the United Nations obliged his country to refrain from using that name. Such a demand would be contrary to international law. His delegation would therefore, now and always in the future, refer to its country by its name which was "the Republic of Macedonia", in full compliance with Security Council resolution 817 (1993).

53. Regarding the decision of the Greek Government to deny his country's right as a land-locked State, it would have been greatly preferable if the representative of Greece, instead of defending his Government's decision or seeking explanations for such a decision, which was illegal under international law, had taken the opportunity to announce that his Government intended to rescind its decision, as anticipated by the world community, and particularly by the European Union. Obviously, the political will and courage to do so did not yet exist.

54. As his delegation pointed out in its previous statement, Greece was responsible for the huge problems and damage that his country's economy was experiencing. The best course for both countries, in the interests of both the Macedonian and Greek economies, would be for that decision to be rescinded as

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soon as possible. He was confident that, in the future, relations between the two countries would improve and would set an example for the development of good-neighbourly relations.

The meeting rose at 7.25 p.m.